



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Sara L. Hensley

**SUBJECT: REVIEW OF PROGRAM
REVENUES**

DATE: 06-06-05

Approved	/s/	Date	06/06/05
----------	-----	------	----------

The purpose of this Manager's Budget Addendum is to respond to a Council inquiry made during the 2005-2006 Proposed Operating Budget study sessions. Specifically, Council requested that the Recreation and Cultural Services CSA review historical data from the Parks, Recreation and Neighborhood Services (PRNS) Department to study how fee increases in PRNS programs might impact the volume of revenue generated.

The attachment includes the past five years of the major revenue program areas within PRNS. Actual annual revenue amounts are listed within the table except for the current 2004-2005 year where year-end estimates are used. Also included is the percentage change in total revenue from the prior year, as well as the percentage change in the fee level from the prior year. There do not appear to be consistent trends among all of the categories in terms of the relationship between the changes in fees and revenue collections.

It is difficult to draw firm conclusions regarding the impact of fee increases on revenue collections because there are so many other factors that influence these activity levels. For instance, the use of facilities and the associated revenues can be significantly affected by weather (e.g. Happy Hollow Park and Zoo, Adult Sports) or facilities being offline for construction reasons (e.g. Gym and Fitness Fees [Camden Community Center renovations], Adult Sports, Facility Rentals). In addition, the economic environment over the last five years can have both positive and negative impacts on revenue collections as some members of the community may choose the City programs as a lower cost option while others may no longer afford to participate.

The Department will continue to analyze its fee programs to determine if they are still competitive with other public and private organizations providing similar programs and facilities. This will be particularly important for facilities like Happy Hollow Park and Zoo, which have substantial fixed costs that are significantly supported by revenues.

/s/

SARA L. HENSLEY
Director of Parks, Recreation and
Neighborhood Services

Attachment

Fee History Attachment

Page 1

Adult Sports *	2000-01	2001-02	2002-03	2003-04	2004-05 Year End Estimates
Revenue	\$ 290,955	\$ 250,973	\$ 255,896	\$ 279,671	\$ 289,000
% Change in Revenue	7.7%	(13.7%)	2.0%	9.3%	3.3%
Rate Increases	10%	0%	15%	12%	5%

Sports Fields Reservations *	2000-01	2001-02	2002-03	2003-04	2004-05 Year End Estimates
Revenue	\$ 47,319	\$ 79,487	\$ 66,178	\$ 82,102	\$ 108,036
% Change in Revenue	(36.9%)	67.9%	(16.7%)	24.0%	31.6%
Rate Increases	0%	0%	0%	0%	0%

Gym and Fitness Fees*	2000-01	2001-02	2002-03	2003-04	2004-05 Year End Estimates
Revenue	\$ 64,835	\$ 60,032	\$ 71,150	\$ 44,100	\$ 32,671
% Change in Revenue	35.9%	(7.4%)	18.5%	(38.0%)	(25.9%)
Rate Increases	0%	0%	0%	5%	6%

Surcharges**	2000-01	2001-02	2002-03	2003-04	2004-05 Year End Estimates
Revenue	\$ 161,931	\$ 182,026	\$ 199,581	\$ 226,036	\$ 240,879
% Change in Revenue	21.4%	12.4%	9.6%	13.3%	6.6%
Rate Increases	0%	0%	0%	14%	0%

Facility Rentals *	2000-01	2001-02	2002-03	2003-04	2004-05 Year End Estimates
Revenue	\$ 189,188	\$ 161,576	\$ 137,575	\$ 154,476	\$ 164,584
% Change in Revenue	(1.3%)	(14.6%)	(14.9%)	12.3%	6.5%
Rate Increases	0%	0%	20%	15%	12%

Happy Hollow *	2000-01	2001-02	2002-03	2003-04	2004-05 Year End Estimates
Revenue	\$ 1,766,845	\$ 1,701,874	\$ 1,875,275	\$ 1,984,070	\$ 1,621,526
% Change in Revenue	14.1%	(3.7%)	10.2%	5.8%	(18.3%)
Rate Increases	0%	0%	11%	10%	12%

Fee Activity*	2000-01	2001-02	2002-03	2003-04	2004-05 Year End Estimates
Revenue	\$ 2,488,420	\$ 3,121,589	\$ 3,250,080	\$ 3,098,942	\$ 2,927,200
% Change in Revenue	2.2%	25.4%	4.1%	(4.7%)	(5.5%)
Rate Increases	Fees are set by PRNS Director and vary by class based on class expenses, instructor costs etc.				

* These collections are greatly affected by construction projects associated with fields or facilities as well as weather conditions.

** These are surcharges included in some of the fee class charges associated with fee activities. Their growth is usually a direct function of fee activity revenue.